

Internal Audit progress report

The purpose of this report is to advise the Audit Committee of our progress in planning and delivering the 2014-15 Internal Audit Plan.

Progress to date

Since the Committee last met we have completed our integrated assurance review, reported as a separate agenda item. We have also met with management to develop the scope for our review of corporate and financial planning arrangements; this work starts in January 2015.

We have commenced the Project review (Project Eagle and Finance replacement project) and IT support reviews and these are in progress. An update is included in this report.

Status and progress of reviews

Agile Lessons Learnt workshop

We participated in the lessons learnt from the use of Agile development in the ICE project. Agile is a software development and project management methodology based on iterative and incremental development, where requirements and solutions evolve through collaboration between self-organising, cross-functional teams. Agile delivers many more (typically smaller) changes in short periods of time, rather than the traditional specification, development and major release process.

The lessons learnt workshop was an opportunity to establish how to manage future changes in the most effective manner.

Conclusions from workshop

- 1 A clear set of definitions needs to be published within the ICO as to why projects are being carried out, not least to assist in prioritisation of changes. Such definitions might include:
 - to achieve long term objectives, such as the public making use of web site for registration
 - to ensure ICO projects deliver the needs of customers and stakeholders
 - reduce the time and cost of delivering changes
- 2 Establish a set of criteria to assess projects. Examples could be:
 - contribution to ICO business
 - meets long term objectives
 - resolves customers' issue
 - maintains service level

- 3 Manage the "free market" of "good ideas"
 - filter to get ideas that have the potential to contribute to long term objectives
 - ideas should be reviewed regularly
 - encourage users to share ideas and provide feedback to users on decisions made
- 4 Manage suppliers and resources
 - divide capability between maintenance & support, on-going projects and discretionary work
- 5 IT Steering Group should:
 - review on-going activity
 - confirm existing allocation of resources to on-going projects
 - confirm accuracy of resource estimate
 - establish whether there is spare capacity to do more
 - determine the next period's prioritised activities.

Project review

Finance replacement

Microsoft Great Plains has been selected to replace Sun Accounts. The project is now focusing on detailed requirements specification. The supplier of software and consultancy services will be m-hance and services will be delivered through the Northgate contract. Review will focus on the selection process, project planning and governance, and establish that implementation is achievable with risks actively managed. The fieldwork will be completed in December.

Project Eagle

Lessons learnt sessions have been scheduled for 8 December, with Department Managers attending one session and the Project Board the second session. An update will be produced after the session. Feedback has already been collated from the teams and managers, and will form an input to these sessions.

IT support

IT Steering Group

Internal Audit attended the November 2014 meeting to observe the meeting and also consider Agile lessons learnt. We have a number of points to feed back to the IT Steering Group, which will happen during the next Steering Group meeting in early 2015, or earlier if agreed with management.

Web site development

The web-site development is largely completed. An initial meeting has been held with project manager and a further meeting is to be scheduled in December, to identify lessons learnt. We understand that during the development of the web site, a significant area of functionality had not been specified or costed, so the lessons to be learnt from this will form an area of focus of our review.

Reliance on single supplier / IT infrastructure re-procurement

We have met with the Deputy Commissioner, Operations and Head of IT to discuss these two related areas. We concluded that a fundamental review is required to establish what options are available to the ICO to balance the requirements of keeping costs to an acceptable level but also to ensure that suppliers provide a service that the ICO requires. Currently, the ICO's experience of service delivery from Northgate and related suppliers is mixed. We are currently discussing with management how this might be achieved.

The schedule overleaf provides an update against the 2014-15 Plan.

Review	Scope	Timing	Days	Progress
Integrated assurance	We have agreed that we will carry out a review to identify the different levels of management assurance in place (i.e. the second line of defence) and where they report within the ICO's framework. This will include the Information Rights Committee and supporting groups, as well as the IT Steering Group and the Finance Steering Group.	September 2014	5	Final report issued.
Corporate and financial planning	Our review would look at how the 2014-17 ICO Plan was arrived at, including an assessment of the delivery to date of the 2013-17 Plan. The review will also examine how the business planning process is aligned to the financial planning arrangements, including how the newly formed Finance Steering Group fits within the process and how this is used to drive out the preparation, monitoring and governance of the budget.	January 2015	9	Planning brief issued. Fieldwork to commence in January 2015.
Project Eagle: lessons learnt	We will facilitate a workshop with key stakeholders from the Project, to draw out what went well and what could have been improved upon. In delivering Project Eagle, management applied key aspects of 'agile' project management processes. As part of the lessons learnt exercise we will explore with management how it can capture the methods applied more formally in a manner that can be deployed elsewhere. Management has also identified that a benefits realisation review of Project Eagle would be worthwhile, however this would be likely to fall into the 2015-16 plan. We will therefore initially consider how expected benefits have been initially identified.	October 2014	3	Workshop session booked for 2 December 2014.
IT support	The ICO is currently establishing an IT Steering Group. GT has been asked to provide support and independent feedback and advice to the group, on its remit, structure and operation as a governance framework for IT. GT would attend early meetings of the Group as observer and provide feedback as required.	September 2014 onwards	3	November IT Steering Group observed.
	Later in the 2014 the ICO will be re-procuring certain infrastructure services. Input is sought from GT in the considerations around requirements and delivery solutions, including cloud-based providers, and in considering both identification of risks and assurance over them.	November 2014	2	Scope and budget under review.
	IT is considering the risks and issues around contingency planning in respect of the main IT provider. If the main supplier fails to deliver, and what options might be considered in response.	November 2014	2.25	
	The Web Development Team (which sits in Corporate Affairs), is currently implementing a new content management system (Umbraco). There is some Cabinet Office scrutiny of the project, and management would value a short assurance view towards the end of the project to provide input to the go-live decision period.	To be agreed	2.25	Initial meeting held and a lessons learnt session to be scheduled.

Review	Scope	Timing	Days	Progress
Finance system project assurance	The ICO is starting a project to replace its finance system. Our involvement would be to provide assurance over the project management and governance arrangements established and operating to deliver the project. On-going project assurance would follow at key stages of the project	September 2014 onwards	3	Meetings to be scheduled with finance in December.
Follow Up	Review of the arrangements to capture and implement audit recommendations in a timely manner.	March 2015	3	To be scoped in early 2015
	Planning, continued liaison, attendance at Audit Committee, annual reporting		7	
TOTAL			39.5	



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